- 1 CABINET FOR HEALTH AND FAMILY SERVICES
- 2 Department for Medicaid Services
- 3 Division of Policy and Operations
- 4 (Amendment)
- 5 <u>907 KAR 20:040[907 KAR 1:660]</u>. Relative responsibility requirements for Medicaid.
- 6 RELATES TO: KRS 205.520(3)
- 7 STATUTORY AUTHORITY: KRS 194A.030(3), 194A.050(1), 42 CFR 435 Subparts G,
- 8 H, I[, EO 2004-726]
- 9 NECESSITY, FUNCTION, AND CONFORMITY: [EO 2004-726, effective July 9, 2004,
- 10 reorganized the Cabinet for Health Services and placed the Department for Medicaid
- 11 Services and the Medicaid Program under the Cabinet for Health and Family Services.
- 12 The Cabinet for Health and Family Services has responsibility to administer the Medicaid
- Program. KRS 205.520(3) authorizes the cabinet, by administrative regulation, to comply
- with any requirement that may be imposed or opportunity presented by federal law to
- 15 qualify for federal Medicaid funds[for the provisions of medical assistance to Kentucky's
- 16 indigent citizenry. This administrative regulation establishes resource and income con-
- siderations <u>regarding relatives</u> by which Medicaid eligibility is determined, <u>except for indi-</u>
- viduals whose eligibility is determined based on modified gross adjusted income or former
- 19 foster care individuals between the ages of nineteen (19) and twenty-six (26) who aged
- 20 out of foster care while receiving Medicaid benefits.
- 21 Section 1. [Definitions. (1) "ABD" means a person who is aged, blind, or disabled.

- 1 (2) "Adult scale" means the scale located in 907 KAR 1:640, Section 2(1), establishing
- 2 Medicaid income limits by family size. (3) "AFDC" means aid to families with depend-
- 3 ent children.
- 4 (4) "AFDC-related case" means a Medicaid-eligible, categorically-needy individual or
- 5 group based upon AFDC Program requirements effective since July 16, 1996.
- 6 (5) "After the month of separation" means the first day of the month that follows the
- 7 month in which an individual ceases living in the same household of a Medicaid eligible
- 8 family.
- 9 (6) "Family-related case" or "family case" means a Medicaid-eligible, medically-needy
- 10 group based on deprivation and within the medically-needy income level.
- 11 (7) "Medically-needy income level" or "MNIL" means the basic maintenance standard
- 12 used in the determination of Medicaid eligibility for the medically needy.
- 13 (8) "Month of separation" means the month in which an individual ceases living in the
- same household of a Medicaid eligible family.
- 15 (9) " SSI" means supplemental security income.
- 16 (10) "SSI essential person, spouse, or nonspouse" means an individual necessary to
- 17 an SSI recipient to enable the SSI recipient to be self-supporting.
- Section 2.] Treatment of Income and Resources for a Parent, Dependent Child, ABD
- 19 Applicant, or Recipient. (1) A spouse shall be considered responsible for a spouse.
- 20 (2) A parent shall be considered responsible for a dependent minor child.
- 21 (3) Excluding a child who is at least [age] eighteen (18) years of age and [above] who
- is blind or disabled and for purposes of deeming income and resources, a child under
- 23 age twenty-one (21) <u>years</u> living with a parent shall be considered a dependent minor

- child even if the child is emancipated under state law.
- 2 (4) Responsibility regarding income and resources shall be determined as follows:
- 3 (a)1. For an ABD applicant or a recipient living with an eligible spouse, total resources
- 4 and adjusted income of the couple shall be considered in relation to the resource and in-
- 5 come limitations for a family size of two (2) <u>unless a dependent lives with the couple.</u>
- 6 2. If any dependent lives with a couple, [or if a dependent lives with the couple,] the
- 7 appropriate family size shall include any dependent living with the couple.
- 8 (b) For an ABD applicant or a recipient living with an ineligible spouse, income from the
- 9 ineligible spouse shall be deemed as available to the eligible spouse as outlined below.
- 1. Determine the potential spend-down amount of the eligible individual by comparing
- the countable income, as determined in accordance with 907 KAR 20:020[907 KAR
- 12 1:640, to the MNIL for one (1) as shown in 907 KAR 20:020, Section 1(1)[907 KAR
- 13 1:640, Section 2(1)].
- 2. Allocate to other dependents in the household from the ineligible spouse's income
- an amount equal to one-half (1/2) of the MNIL for a family size of one (1) for each de-
- 16 pendent.
- 3.a. If the ineligible spouse's income is more than the difference between the MNIL for
- one (1) and MNIL for two (2), combine the income of the ineligible spouse with that of the
- 19 eligible individual and compare that figure with the MNIL for one (1) to determine continu-
- ing eligibility or the spend-down amount in accordance with clause b. of this subpara-
- 21 graph.
- b. If the ineligible spouse's income is less than the difference between MNIL for one (1)
- and MNIL for two (2), the income shall be disregarded and the income of the eligible indi-

- vidual shall be compared with the MNIL for a family size of one (1).
- 4. Compare the amount resulting from subparagraph 1 of this paragraph with the result
- 3 of subparagraph 3 of this paragraph and determine eligibility using the spend-down
- 4 amount, if any, which is greater.
- 5. Resources shall be considered in the same manner as for an eligible spouse.
- 6 (c)1. For an ABD couple living apart for any reason and both of whom are concurrently
- 7 applying for or receiving Medicaid only, income and resources shall be considered in rela-
- 8 tion to resource and income limitations for a family size of one (1) after the month of sep-
- 9 aration, or if any other dependent lives with either spouse, the family size shall include
- any dependent in the month following the month of separation.
- 2. Eligibility shall be determined on a couple basis for the month of separation.
- (d) For an ABD individual living apart from a spouse who is not a recipient of Medicaid
- only, eligibility shall be determined on a couple basis for the month of separation and on
- an individual basis after the month of separation.
- (e) The following shall be considered a resource for an individual considered to be
- single in accordance with paragraphs (c) and (d) of this section and who has a jointly-
- 17 held checking or savings account with his or her spouse:
- 1. The entire jointly-held checking or savings account if it may be accessed inde-
- 19 pendently of the spouse; or
- 2. One-half (1/2) of the jointly-held checking or savings account if it may not be ac-
- 21 cessed independently of the spouse.
- 22 (f) [For AFDC-related Medicaid, total resources and adjusted income of a parent and
- 23 child for whom an application is made shall be considered in relation to limitations for fam-

- 1 ily size, except that the income and resources of an SSI parent and the SSI essential per-
- 2 son spouse whose Medicaid eligibility is based on inclusion in the SSI case shall be ex-
- 3 cluded.] Resources and income of an SSI essential person, spouse or nonspouse, whose
- 4 Medicaid eligibility is not based on inclusion in the SSI case shall be considered.
- 5 (g) For a child who is blind or disabled and under eighteen (18) years of age living with
- 6 a parent (including a stepparent, if applicable), total resources and adjusted income of the
- 7 parent shall be related to limitations for family size, including the applicant or recipient
- 8 child and any other dependent child of the parent using the adult scale.
- 9 (h)1. [For AFDC-related Medicaid, income and resources of a parent shall not be con-
- 10 sidered available to a child living apart from the parent, but any continuing contribution
- 11 actually made shall be considered as income.] For comparison with the resource and in-
- 12 come limitations, the child's individual resources and income shall be considered in rela-
- tion to a family size of one (1).
- 14 2. The following criteria shall be used to determine whether an AFDC-related Medicaid
- child who has been living with a parent and is institutionalized in a psychiatric facility
- 16 (mental hospital or psychiatric residential treatment facility) shall be considered as living
- 17 apart from his parents:
- 18 <u>a.</u>[1.] Unless he or she has been in a psychiatric facility for thirty (30) or more days, a
- child shall be considered as living with a parent. Beginning with the 31st day in a facility, a
- 20 child shall be considered living apart from his or her parent.
- 21 b.[2-] A child who is institutionalized in a psychiatric facility but is legally committed to or
- in the custody of the Cabinet for Health and Family Services[Families and Children] shall
- 23 not be considered as living with a parent.

- 1 (i) Excluding a child, if an AFDC-related Medicaid recipient has income and resources
- 2 considered in relation to family size and enters a nursing facility, his or her income and
- 3 resources shall be considered in the case for up to one (1) year with the individual al-
- 4 lowed the basic maintenance standard as established in 907 KAR 20:035[907 KAR
- 5 $\frac{1:655}{1}$, Section $\frac{3(2)[4(2)]}{1}$.
- 6 (j)1. If a child in an AFDC-related Medicaid case is in a nursing facility, eligibility of the
- 7 child shall continue in the case for up to a year but his or her liability for the cost of care
- 8 shall be determined by:
- a. Allowing to the child from his or her own income the basic maintenance standard as
- established in 907 KAR 20:035[907 KAR 1:655], Section 3(2)[4(2)]; and
- b. Considering the remainder available for the cost of care.
- 2. A welfare payment made to a child under subparagraph 1 of this paragraph shall be
- disregarded when determining liability for cost of care.
- 3. The eligibility of the individual, with regard to income and resources, shall be deter-
- mined on the basis of living apart from the other family members if it becomes apparent
- that the separation will last for more than one (1) year.
- 17 Section 2.[3. Treatment of Income and Resources of a Stepparent or Parent of a Minor
- 18 Parent Referred to as a "Grandparent". (1) An incapacitated stepparent's income or a
- 19 grandparent's income shall be considered in the same manner as for a parent if the step-
- 20 parent or grandparent is included in the family case.
- 21 (2) If a stepparent or grandparent living in the home is not being included in the family
- 22 case:
- 23 (a) The stepparent's gross income shall be considered available to the spouse; or

- 1 (b) The grandparent's gross income shall be considered available to the minor parent
- 2 in accordance with 907 KAR 1:640, Section 4.
- 3 (3) If a stepparent or grandparent has income remaining available after disregards
- 4 and exclusions are applied, the remaining income shall:
- 5 (a) Not be deemed to a stepchild or grandchild; and
- 6 (b) Be deemed to:
- 7 1. The stepparent's spouse; or
- 8 2. To a minor parent who is a child of the grandparent.
- 9 (4) Eligibility of a stepchild or grandchild shall be determined in the following manner:
- 10 (a) The only income to be considered shall be the income of:
- 11 1. The grandchild and minor parent; or
- 12 2. The stepchild and spouse of the stepparent;
- 13 (b) The budget size shall include the child and parent:
- (c) If there is no excess income, the child shall be eligible; and
- 15 (d) If there is excess income, the excess amount may be spent down in accordance
- 16 with 907 KAR 1:640, Section 9.
- 17 (5)(a) To determine separate eligibility of a minor parent of a grandchild or spouse of a
- 18 stepparent:
- 19 1. If the eligibility of the grandparent or stepparent is not to be determined, consider:
- 20 a. The income of the child and his parent; and
- 21 b. The actual amount available for deeming from the grandparent or stepparent.
- 22 2. The budget size shall include the child and parent but not the grandparent or step-
- 23 parent.

- 3. If there is no excess income, the minor parent or spouse of a stepparent shall be
- 2 eligible.
- 4. If there is excess income, the excess amount may be spent down in accordance
- 4 with 907 KAR 1:640, Section 9.
- 5 (b) If a grandparent of a minor parent or a stepparent (spouse of the parent with chil-
- 6 dren) are to be included in a case, eligibility of the minor parent or spouse shall not be de-
- 7 termined separately but shall be determined in combination with that of the grandparent
- 8 or stepparent.
- 9 1. The combined eligibility of the minor parent and grandparent, or spouse and inca-
- 10 pacitated stepparent, shall be determined, as appropriate, using the available income of
- 11 the:
- 12 a. Grandparent or stepparent;
- b. The minor parent or spouse of the stepparent; and
- 14 c. The grandchild or stepchild.
- 2. If the grandparent or incapacitated stepparent is included in the case, the amount
- 16 excluded for the needs of the grandparent or stepparent in the determination of available
- 17 income in subsection (2) of this section shall be considered as available income for pur-
- 18 poses of this determination of eligibility.
- 3. If there is no excess income, the minor parent and grandparent or spouse and inca-
- 20 pacitated stepparent shall be eligible.
- 4. If there is excess income, the excess amount may be spent down, in accordance
- 22 with 907 KAR 1:640, Section 9.
- 23 (6) If eligibility is being determined for an individual or a family group with excess in-

- 1 come, uncovered incurred medical expenses of the individual, family group or financially
- 2 responsible relative shall be used to meet each spend-down amount.
- 3 (7) An incapacitated stepparent's resources or a grandparent's resources shall be con-
- 4 sidered in the same manner as for a parent if the stepparent or grandparent is included in
- 5 the family case.
- 6 (8) If a stepparent or grandparent living in the home is not included in the family case,
- 7 the stepparent's resources shall be considered available to the spouse of the stepparent
- 8 or the grandparent's resources shall be considered available to the minor parent (child of
- 9 the grandparent) but not to a stepchild or grandchild.
- 10 (9) Only the resources of the following shall be considered to determine a stepchild
- 11 or grandchild's eligibility:
- 12 (a) The grandchild and minor parent; or
- 13 (b) The stepchild and parent.
- 14 Section 4.] Companion Cases. If a spouse or parent and child living in the same
- 15 household apply separately for assistance, relative responsibility shall be taken into con-
- 16 sideration.
- 17 (1) [For a dependent child application, the income, resources and needs of the parent
- shall be included in the determination of need of the child even if the parent applies for
- 19 assistance for himself on the basis of age, blindness, or disability (except as shown in
- 20 subsection (3) of this section).
- 21 (2) For a spouse, income and resources of both spouses shall be combined and com-
- 22 pared against the medically-needy income and resources limits for a family size of two (2)
- even though a separate determination of eligibility shall be made for each individual.

- 1 (2)(a)[(3) For a family with a child with a parent eligible for SSI, neither the income, re-
- 2 sources, nor needs of the SSI eligible individual shall be included in the determination of
- 3 eligibility of the children.
- 4 (4)(a)1. A parent in an AFDC-related Medicaid case may request that one (1) or more
- 5 children be technically excluded from the determination of eligibility due to income while a
- 6 regular application for Medicaid eligibility is processed for other children in the family
- 7 group.
- 8 2. In this circumstance, the income and resources of each technically excluded child
- 9 and each technically excluded child's needs shall be excluded in the budgeting process
- 10 when determining eligibility of the family group.
- 3. A separate spend-down case may be established for each technically excluded
- 12 child.
- 4. The income, resources and needs of the responsible relative or parent shall be in-
- 14 cluded in the budget process.]
- 15 (b)1. Income disregards, and needs of siblings in the other case may also be included
- in budgeting for the spend-down case if that works to the advantage of the technically ex-
- 17 cluded child for whom eligibility is being determined in the spend-down case.
- Section 3. Applicability. (1) The provisions and requirements of this administrative
- regulation shall not apply to an individual:
- 1. Whose Medicaid eligibility is determined using the modified adjusted gross income
- 21 standard; or
- 22 2. Between the ages of nineteen (19) and twenty-six (26) years who:
- 23 <u>a. Formerly was in foster care; and</u>

- b. Aged out of foster care while receiving Medicaid coverage.
- 2 (2) An individual whose Medicaid eligibility is determined using the modified adjusted
- 3 gross income as an income standard shall be an individual who is:
- 4 (a) A child under the age of nineteen (19) years, excluding children in foster care;
- 5 (b) A caretaker relative with income up to 133 percent of the federal poverty level;
- 6 (c) A pregnant woman, with income up to 185 percent of the federal poverty level,
- 7 <u>including the postpartum period up to sixty (60) days after delivery:</u>
- 8 (d) An adult under age sixty-five (65) with income up to 133 percent of the federal
- 9 poverty level who:
- 1. Does not have a dependent child under the age of nineteen (19) years; and
- 2. Is not otherwise eligible for Medicaid benefits; or
- (e) A targeted low income child with income up to 150 percent of the federal poverty
- level.
- 14 Section 4.[2. Excess income in the spend-down case may be spent down using un-
- 15 covered incurred medical care costs of a financially responsible relative or any member of
- 16 the family.
- 17 (5) The needs of a sibling living in the household under the age of twenty-one (21) not
- 18 requesting assistance, may be included in an AFDC-related Medicaid case if it works to
- 19 the advantage of the family group.
- 20 Section 5.] Appeals. [(1) An appeal of a negative action taken by the Department for
- 21 Medicaid Services regarding a Medicaid recipient shall be in accordance with 907 KAR
- 22 1:563.
- 23 (2) An appeal of a negative action taken by the Department for Medicaid Services

- regarding Medicaid eligibility of an individual shall be in accordance with 907 KAR
- 2 1:560.

907 KAR 20:040	
REVIEWED:	
Date	Lawrence Kissner, Commissioner Department for Medicaid Services
ADDDOVED.	
APPROVED:	
Date	Audrey Tayse Haynes, Secretary Cabinet for Health and Family Services

907 KAR 20:040

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall, if requested, be held on November 21, 2013 at 9:00 a.m. in the Health Services Auditorium, Health Services Building, First Floor, 275 East Main Street, Frankfort, Kentucky, 40621. Individuals interested in attending this hearing shall notify this agency in writing by November 14, 2013 five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. The hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. You may submit written comments regarding this proposed administrative regulation until close of business December 2, 2013. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Tricia Orme, tricia.orme@ky.gov, Office of Legal Services, 275 East Main Street 5 W-B, Frankfort, KY 40601, Phone: (502) 564-7905, Fax: (502) 564-7573.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation Number: 907 KAR 20:040

Cabinet for Health and Family Services
Department for Medicaid Services

Agency Contact: Marchetta Carmicle (502) 564-6204 or Stuart Owen (502) 564-4321

(1) Provide a brief summary of:

- (a) What this administrative regulation does: This administrative regulation establishes Medicaid program resource and income eligibility standards and requirements regarding relatives.
- (b) The necessity of this administrative regulation: This administrative regulation is necessary to establish Medicaid program resource and income eligibility standards and requirements regarding relatives in accordance with federal law and regulation and as authorized by KRS 194A.030(2) which establishes the Department for Medicaid Services as the commonwealth's single state agency for administering the federal Social Security Act.
- (c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the content of KRS 194A.030(2), 194A.050(1) and 205.520(3) by establishing Medicaid program resource and income eligibility standards and requirements regarding relatives.
- (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists in the effective administration of KRS 194A.030(2), 194A.050(1) and 205.520(3) by establishing Medicaid program resource and income eligibility standards and requirements regarding relatives.
- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
 - (a) How the amendment will change this existing administrative regulation: The amendment establishes that the standards and requirements do not apply to individuals for whom a modified adjusted gross income (or MAGI) is the eligibility standard or to former foster care individuals between the ages of nineteen (19) and twenty-six (26) who aged out of foster care while receiving Medicaid coverage. The MAGI population includes children under nineteen (19) except for children in foster care; caretaker relatives with income up to 133 percent of the federal poverty level; pregnant women [including through day sixty (60) of the postpartum period] with income up to 185 percent of the federal poverty level; adults under sixty-five (65) with no child under nineteen (19) who do not otherwise qualify for Medicaid and whose income is below 133 percent of the federal poverty level; and targeted low-income children with income up to 150 percent of the federal poverty level. Additionally, the amendment deletes the definitions and includes language and formatting revisions to comply with KRS Chapter 13A requirements.
 - (b) The necessity of the amendment to this administrative regulation: The

- amendments are necessary to comply with the Affordable Care Act regarding populations to which the eligibility requirements established in this administrative regulation do not apply. Deleting definitions is necessary as the Department for Medicaid Services (DMS) is creating a definitions administrative regulation to establish definitions for Chapter 20 the new chapter which will house Medicaid eligibility administrative regulations.
- (c) How the amendment conforms to the content of the authorizing statutes: The amendment conforms to the content of the authorizing statutes by complying with an Affordable Care Act provision that excludes the eligibility requirements from applying to individuals for whom a modified adjusted gross income is the Medicaid income eligibility standard or to former foster care individuals.
- (d) How the amendment will assist in the effective administration of the statutes: The amendment will assist in the effective administration of the authorizing statutes by complying with an Affordable Care Act provision that excludes the eligibility requirements from applying to individuals for whom a modified adjusted gross income is the Medicaid income eligibility standard or to former foster care individuals.
- (3) List the type and number of individuals, businesses, organizations, or state and local government affected by this administrative regulation: Individuals whose Medicaid income eligibility standard is a modified adjusted gross income will be affected by the amendment as they are exempted from the requirements in this administrative regulation. The Department for Medicaid Services (DMS) estimates that the affected group will encompass 678,000 individuals in state fiscal year (SFY) 2014. Additionally, the requirements do not apply to former foster care individuals who aged out foster care while receiving Medicaid benefits at the time. DMS estimates that this group will include 3,358 individuals.
- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
 - (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment. The amendment requires no action to be taken by affected individuals.
 - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3). The amendment imposes no cost on the affected individuals.
 - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3). Individuals exempt from requirements in this administrative regulation will benefit due to the clarification that the requirements do not apply to them.
- (5) Provide an estimate of how much it will cost to implement this administrative regulation:
 - (a) Initially: DMS anticipates no cost as a result of exempting the individuals for whom a modified adjusted gross income is the Medicaid eligibility standard or

- former foster care individuals from the requirements established in this administrative regulation.
- (b) On a continuing basis: The response in paragraph (a) also applies here.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The sources of revenue to be used for implementation and enforcement of this administrative regulation are federal funds authorized under Title XIX of the Social Security Act and matching funds from general fund appropriations.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: Neither an increase in fees nor funding is necessary to implement the amendment.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: The amendment neither establishes nor increases any fees.
- (9) Tiering: Is tiering applied? (Explain why tiering was or was not used) Tiering is applied in the sense that the requirements do not apply to individuals whose Medicaid eligibility is determined using a modified adjusted gross income or to former foster care individuals as the Affordable Care Act prohibits applying the requirements to these individuals.

FEDERAL MANDATE ANALYSIS COMPARISON

Regulation Number: 907 KAR 20:040

Agency Contact: Marchetta Carmicle (502) 564-6204 or Stuart Owen (502) 564-4321

1. Federal statute or regulation constituting the federal mandate. 42 U.S.C. 1396a(e)(14)(C) and 42 U.S.C. 1396a(a)(10)(A)(i)(IX).

- 2. State compliance standards. KRS 205.520(3) authorizes the cabinet to comply with a requirement that may be imposed or opportunity presented by federal law for the provision of medical assistance to Kentucky's indigent citizenry.
- 3. Minimum or uniform standards contained in the federal mandate. The federal law prohibits the application of a resource test to the MAGI population or to the former foster care population.
- 4. Will this administrative regulation impose stricter requirements, or additional or different responsibilities or requirements, than those required by the federal mandate? The amendment neither imposes stricter nor additional nor different responsibilities nor requirements than those required by the federal mandate.
- 5. Justification for the imposition of the stricter standard, or additional or different responsibilities or requirements. This amendment does not impose stricter than federal requirements.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 907 KAR 20:040

Agency Contact: Marchetta Carmicle (502) 564-6204 or Stuart Owen (502) 564-4321

 What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Department for Medicaid Services (DMS) will be impacted by the amendment.

- 2. Identify each state or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 194A.030(2), 194A.050(1), 205.520(3), 42 USC 1396a(a)(10) and 42 USC 1396a(e)(4).
- 3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.
 - (a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? DMS does not expect the amendment to this administrative regulation to generate revenue for state or local government.
 - (b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? DMS does not expect the amendment to this administrative regulation to generate revenue for state or local government.
 - (c) How much will it cost to administer this program for the first year? DMS anticipates no cost in the first year as a result of exempting the individuals for whom a modified adjusted gross income is the Medicaid eligibility standard from the requirements established in this administrative regulation nor from exempting former foster care individuals from the requirements.
 - (d) How much will it cost to administer this program for subsequent years? DMS anticipates no cost in subsequent years as a result of exempting the individuals for whom a modified adjusted gross income is the Medicaid eligibility standard from the requirements established in this administrative regulation nor from exempting former foster care individuals from the requirements.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): . Expenditures (+/-):